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POMEROY'S APOLOGIA FOR U.S. IMPERIALISM

(A Criticism of William J. Pomeroy's American Neo-Colonialism)

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POMEROY'S APOLOGIA FOR U.S. IMPERIALISM

By Amado Guerrero

American Neo-Colonialism is an attempt to confuse readers about the nature and development of U.S. imperialism with worn-out social-democratic arguments. This book is an apologia for U.S. imperialism, particularly for the U.S. direct colonial rule in the Philippines from 1899 to 1946. It is an incontrovertible proof of the author's role as an agent of U.S. imperialism.

Pomeroy's thesis is that the colonial possession of the Philippines was unnecessary and unprofitable for U.S. imperialism. In maintaining this thesis, he employs the method of jumbling sham anti-imperialist statements, wishful thinking and prevarication against historical facts to futilely impugn Lenin's theory on imperialism and whitewash the exploitation and oppression inflicted by U.S. imperialism on the people.

Despite its title, the book does not go at length into any direct discussion of "neo-colonialism". As a matter of fact, it deals mainly with the beginnings of U.S. direct colonial rule in the Philippines and with the differences of opinion in U.S. imperialist circles regarding the Philippine colony. It is only towards the end of the book that Pomeroy leaps over to 1970 with certain generalizations derived from an empiricist and lopsided view of events at the turn of the century. He presents the Philippines as an example of a country, colonized and unprofitable for a time and then semi-colonized to become profitable for an indefinite period of time for U.S. imperialism.

The revisionist scoundrel observes that U.S. imperialism has consistently fashioned "non-aggressive neo-colonial techniques" which prove to be more profitable than direct colonial domination. There is no difference between his "neo-colonialism" and Kautsky's "supra-imperialism", a "phase when wars shall cease", "a phase of the joint exploitation of the world by internationally united finance capital".

The book strains to show the background of this "neo-colonialism" by tracing the "contradictions" in the ranks of the U.S. imperialists themselves: between the "aggressive expansionists" and the "reluctant expansionists" or between "military authority" and "civil authority". The purpose of the revisionist scoundrel is not to expose and oppose the counter-revolutionary dual tactics of an inherently aggressive and bloodsucking imperialist power. It is to show that aggression and colonial rule are merely the "preferred policy" of U.S. imperialism which are "reluctantly" adopted at certain periods. It blurs over the fact that it is in the nature of U.S. monopoly capitalism to seize colonies, spheres of influence, sources of raw materials, markets and fields of investments. As did Kautsky, Pomeroy substitutes the question of form for the question of substance in trying to seek light from the imperialists themselves, particularly from the "reluctant" and "non-militarist" ones like Jacob Schurman or Andrew Carnegie. On the basis of his obscurantist presumptions, he claims:

> There is reason to believe that if the policy advocated by Jacob Schurman and others early in 1899 had been followed, the tragedy of a cruel war of suppression that extended over the better part of a decade might have been avoided.

Chairman Mao teaches us: "the only ones who crave war and do not want peace are certain monopoly capitalist groups in a handful of capitalist countries which depend on aggression for their profits."

The great leader said:

> Domination, and the violence that is associated with it, such are the relationships that are typical of the "latest phase of capitalist development"; that is what inevitably had to result, and has resulted, from the formation of all-powerful economic monopolies.

To lose sight of the aggressive and bloodsucking nature of U.S. imperialism is to fall for its wiles. It is to deny the unremitting colonial ambitions of U.S. imperialism during the last seven decades and the intensified imperialist wars of aggression in the present era when the imperialist powers do not only wrangle among themselves for economic advantage but also have to face the tidal wave of socialist and new democratic revolutions that deprive them of areas for exploitation.

Chairman Mao has pointed out:

> Make trouble, fail, make trouble again, fail again . . . till their doom; that is the logic of the imperialists and all reactionaries the world over in dealing with the people's cause, and they will never go against this logic. This is a Marxist law. When we say "imperialism is ferocious", we mean that its nature will never change, that the imperialists will never lay down their butcher knives, that they will never become Buddhas, till their doom.
>
> Fight, fail, fight again, fail again, fight again . . . till their victory; that is the logic of the people, and they too will never go against this logic. This is another Marxist law. The Russian people's revolution followed this law, and so has the Chinese people's revolution.

I. On the Seizure and Retention of the Philippines as a U.S. Colony

In giving the briefest possible definition of imperialism, the great Lenin called it the monopoly stage of capitalism. What he considered as most important in such a definition is on one hand that finance capital is the bank capital of a few very big monopolist bands, merged with the capital of the monopolist associations of industrialists, and on the other that the division of the world is the transition from a colonial policy which has extended without hindrance to territories unseized by any capitalist power to a colonial policy of monopolist possession of the territory of the world which has been completely divided up.

The development of pre-monopoly capitalism, in which free competition was predominant, reached its limits in the 1860s and 1870s. After this period, the tremendous "boom" in colonial conquests began and the struggle for the territorial division of the world became necessary for the imperialist powers. Lenin pointed out: ". . . there was inevitably ushered in the era of monopoly possession of colonies and, consequently, of particularly intense struggle for the division and redivision of the world."

The Spanish-American War of 1898 was the first imperialist war with the objective of redividing the world. The seizure of the Philippines as a colony was part and parcel of the drive of a rapidly developing imperialist power to expand its economic territory. The revisionists of Romeroy's type peddle today the idea that U.S. imperialism basically does not want colonies. But Lenin pointed out a long time ago that imperialism does not shirk from seizing colonies. It is an incontrovertible fact of history that the Philippines was seized as a colony together with others by U.S. imperialism. He said:

> To the numerous 'old" motives of colonial policy, finance capital has added the struggle for the sources of raw materials, for the export of capital, for spheres of influence, i.e., for spheres for profitable deals, concessions, monopoly profits and so, economic territory in general.

But Romeroy denies the purposes of U.S. imperialism. He snidely describes "the contention that the home market and the home investment field within the United States were becoming saturated and that the only outlet for American products and accumulated capital lay overseas" as "one of the main arguments of the apologists for imperialist expansion". Here he considers as one and the same in intention a Marxist-Leninist contention and the monopoly capitalists' statements of interest.

He seeks to repudiate the Marxist-Leninist contention that the capitalist crisis of overproduction has resulted in imperialist expansionism by the monopolies. He argues that U.S. imperialism at the turn of the century could have even foregone actions that brought it out of its home-grounds, especially such an action as the conquest and retention of the Philippines as a colony. He insists that the U.S. monopolies were capable of unlimited internal expansion inasmuch as, according to him, the U.S. home market and investment fields prospered and expanded as time passed, due to advances in technology and openings new fields of production as well as due to "structural reforms" in the capitalist system, particularly the "anti-trust" measures and the use of a high tariff policy. Pomeroy contends:

> Its internal market and investment field, capable of great expansion, tempered its drive into foreign markets; the use of a high tariff wall to protect that home market played a more salient role than the acquisition of colonies, colonial markets and resources.

Lenin pointed out:

> Bourgeois scholars and publicists usually come out in defense of imperialism in a somewhat veiled form; they obscure its complete domination and its deep-going roots, strive to push specific and secondary details into the forefront and do their very best to distract attention from essentials by means of absolutely ridiculous schemes for "reform", such as police supervision of the trusts or banks, etc.

Pomeroy takes after Kautsky in arguing that "reforms" took place to counteract monopoly practices and to "increase the consuming capacity of the people". What a fond apology for U.S. imperialism!

Lenin also pointed out:

> Of course, the bourgeois reformists, and among them particularly the present-day adherents of Kautsky, try to belittle the importance of facts . . . by arguing that raw materials "could be" obtained in the open market without a "costly and dangerous" colonial policy; and that the supply of raw materials "could be" increased enormously by "simply" improving conditions in agriculture in general. But such arguments become an apology for imperialism, an attempt to paint it in bright colors, because they ignore the principal nature of the latest stage of capitalism: monopolies.

Pomeroy minimizes the actual role of the dominant U.S. monopolies behind the conquest and retention of the Philippines as a colony and constantly maximizes the role of U.S. agricultural interests (especially sugar, tobacco and dairy) in opposing the acquisition or retention of colonies. He underrates the U.S. monopolies and overrates the agricultural interests. For instance, he easily reaches the absurd point of making the U.S. sugar beet interests appear more powerful than the U.S. sugar trust that was interested more in Philippine sugar. In the relationship between the industrial monopolies and agricultural interests in general, the latter has always been subordinate to the former. The ~~sham anti-imperialist~~ Andrew Carnegie moved out of the Anti-Imperialist League as soon as his interests in the U.S. Steel Corporation demanded.

Throughout the book, Pomeroy is preoccupied with creating the illusion that the U.S. imperialists were never totally and firmly interested in seizing and holding on to the Philippines as a colony. He believed that the "distinctive feature" of U.S. imperialism is that it would rather not have colonies. And in this regard, he falls into a self-contradicting statement:

> The reason why the Philippines was retained for nearly fifty years despite the relatively early rejection of traditional colonialism in theory was the fact of continuing strength and pressure of the colonialist forces.

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The root cause of Pomeroy's dilemma is his failure to relate the economics of U.S. imperialism to its politics. He denies the profitability of colonies and thus cannot give full account for the fact of extended colonial domination. In effect, he makes a claim that U.S. imperialism is not what it is. Lenin said of Kautsky:

> The essence of the matter is that Kautsky detaches the politics of imperialism from its economics, speaks of annexations as being a policy "preferred" by finance capital, and opposes it to another bourgeois policy which, he alleges, is possible on this very same basis of finance capital. It follows then that monopolies in the economy are compatible with non-monopolistic, non-violent, non-annexationist methods in politics. It follows then that the territorial division of the world, which was completed during this very epoch of finance capital, and which constitutes the basis of the present peculiar forms of rivalry between the biggest capitalist states, is compatible with non-imperialist policy. The result is a slurring over and a blunting of the most profound contradictions of the latest stage of capitalism, instead of an exposure of their depth: the result is reformism instead of Marxism.

Pomeroy praises U.S. imperialism for having risen to be the No. 1 imperialist power through two inter-imperialist world wars "with only a minimum participation in outright seizure of colonies" and for "escaping entangling alliances in Europe and Asia". He even states emphatically:

> The issue of the American colonial system was settled, and the continuation of the Philippine colony during that time (1916) was an anachronism in American imperialist policy. In the opinion of many, the 20 years* between the passage of the Jones Act and the final grant of independence was an unnecessary period of delay.

Pomeroy avoids weighing how much the colonial possession of the Philippines has contributed to relieving U.S. capitalism of the crisis of overproduction during the early decades of the twentieth century. In the familiar fashion of imperialist apologists, he minimizes total U.S. investments abroad as having been no more than one-tenth of U.S. wealth and U.S. foreign trade as not having exceeded 12 per cent of the U.S. gross national product. To rub in the lie that U.S. imperialism was never so dependent on its overseas investments and trade, he compares these to those of British imperialism at its peak in 1914 when a quarter of its wealth were in foreign investments and its foreign trade approximated a quarter of its gross national product.

To minimize the imperialist role of the United States in Asia, he states that the U.S. monopolies had far more trade and investments in Europe, Canada and Latin America. Finally coming to the Philippines, he dismisses U.S. trade and investments here as nothing but a minority part (about thirty per cent) of those in the whole of Asia, with Japan alone absorbing half of the total.

The twisted logic behind Pomeroy's statistical references is that since U.S. trade and investments in the Philippines comprised a small and "negligible" part of far bigger world totals it followed that U.S. monopolies were not much of imperialists. Pomeroy is like the landlord who believes that the more tenants he exploits the less he exploits each tenant and that the more methods of exploitation he employs the less exploitative does each method become.

It is foolish to belittle U.S. trade and investments in the Philippines by stating that U.S. imperialism did more "colonising" in Europe. Within the Philippines, U.S. imperialism raked in super-profits in trade and investments and thoroughly subjected the Filipino people to colonial domination. With regard to U.S. investments in Europe, it is relevant to recall the words of Lenin:

> . . .1) the fact that the world is already partitioned obliges those contemplating a redivision to reach out for every kind of territory, and 2) an essential feature of imperialism is the rivalry

*It should be thirty years.

> between several great powers in striving for hegemony, i.e., for the conquest of territory, not so much for themselves as to weaken the adversary and undermine his hegemony.

Lenin warned against the empiricist method of analyzing imperialism. "Simply to compare colonies with non-colonies, one imperialism with another imperialism, one semi-colony or colony with all other countries, is to evade and to obscure the very essence of the question."

World War I and World War II were all preceded by rapacious manoeuverings of the imperialist powers to get into each other's homegrounds, aside from wrangling over their respective colonial and semi-colonial areas of exploitation and oppression. The two world wars occurred to redivide the world by force of arms precisely because the imperialist powers could not settle their differences through peaceful methods. An integral part of world capitalism, U.S. imperialism always became involved in these. After each war, the division of economic territory is changed with U.S. imperialism consistently expanding its economic territory. Lenin said:

> The epoch of the latest stage of capitalism shows that certain relations between capitalist associations grow up, based on the economic division of the world; while parallel to and in connection with it, certain relations grow up between political alliances, between states, on the basis of the territorial division of the world, of the struggle for colonies, of the "struggle for spheres of influence".

The Philippines had been seized by the United States in order to turn the Pacific Ocean into an "American lake" and to have a base for its latecomer "open-door" policy on China, a policy of trying to have a share of an economic territory to which other imperialist powers had prior claims. But Pomeroy denies the strategic value of the Philippines in the U.S. imperialist scheme; he goes as far as to say that the colonial possession of the Philippines was more of a liability than an asset in Asia for U.S. imperialism. He calls it an "aggravation" of a policy of "weakness". He considers the "open-door" policy a policy of "weakness" rather than a convenient shibboleth for a rising imperialist power in its vigorous attempts to cut into China and Asia in general.

Pomeroy depicts U.S. imperialism as a much frustrated weakling that could easily be bullied by Japan even during the first two decades of the twentieth century. He completely obscures the close alliance of British and U.S. imperialism in Asia and the fact that Japan was a debtor-nation to the United States. It was with the indulgence of U.S. and British imperialism that Japan seized Korea and spheres of influence in China. But Pomeroy insists that even as early as 1916 U.S. imperialism was already so terrified by the Japanese victory over the Russians in 1905 and the Japanese seizure of all the special privileges of Germany in China during World War I that it was eager to withdraw from its Philippine colony or maintain "unprovocative" presence there. He states:

> As usual, the display of power by Japan had its effect on American attitudes towards the Philippines. It undoubtedly hastened the moves to make a promise of independence to the Philippines, on grounds that it showed unaggressive intent by the United States in Asia, thus removing an excuse for Japan to adopt any hostile posture towards U.S. presence in the Philippines.

Pomeroy states further:

> The reasons for the failure of American imperialist forces to follow through on their initial plunge into Asia lay in at least two aspects of their situation. One was the unwillingness to mobilize sufficient capital to throw into China to compete with and wrest market and investment areas from the other imperialist powers on the scene; other easier areas of penetration of a less overly colonial nature were available. The other was the fact that the American government and its machinery was not yet prepared to serve imperialist aims by contending with powerful Asian rivals in the sphere of force.

'It is preposterous for one to expect U.S. imperialism to export surplus capital evenly and regularly throughout the world and then to claim when it does otherwise that it is not yet prepared to serve imperialist aims. 'It is in the nature of modern imperialism to make the most uneven and spasmodic kind of development at home and abroad.' Lenin said:

> The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits. And they divide it "in proportion to capital", in "proportion to strength", because there cannot be any other method of division under commodity production and capitalism. In order to understand what is taking place, it is necessary to know what questions are settled by the changes in strength.

Pomeroy, the revisionist scoundrel, would say anything to whitewash the colonial record of U.S. imperialism. He tries to muddle up what is already clear history. Only a fool and traitor will write an entire book only to maintain the preposterous thesis that U.S. imperialism was unwilling to seize market and investment areas in the Philippines and China and that its government was not prepared to serve imperialist aims at the turn of the century.

II. A False Balance Sheet of U.S. Imperialism in the Philippines

Referring to colonies, the great Lenin unequivocally stated:

> In these backward countries, profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap.

He also said:

> Of course, finance capital finds most "convenient", and derives the greatest profit from, a form of subjection which involves the loss of the political independence of the subjected countries and peoples.
>
> Colonial possession alone gives the monopolies complete guarantees against all contingencies in the struggle against competitors, including the case of the adversary wanting to be protected by a law establishing a state monopoly. The more capitalism is developed, the more strongly the shortage of raw materials is felt, the more intense the competition and the hunt for sources of raw materials throughout the whole world, the more desperate the struggle for the acquisition of colonies.

He also pointed out that finance capital is interested not only in the already discovered sources of raw materials but also in potential sources, because present-day technical development is extremely rapid, and land which is useless today may be improved tomorrow. This also applies to prospecting for minerals, to new methods of processing or and utilizing raw materials, etc., etc. Hence the inevitable striving of finance capital to enlarge its spheres of influence and even its actual territory.

It is utterly ridiculous to hope as did Kautsky to expect imperialism to rely on the "open market" for its raw materials. Certainly, it became more advantageous than during the Spanish colonial era for U.S. imperialism to hold the Philippines as a colony and get the raw materials without having to comply with Spanish laws. The U.S. imperialists would have laughed at Kautsky's pontification that "peaceful democracy", rather than military occupation, would have opened Egypt more rapidly to British trade had it been uttered when Dewey sailed into Manila bay.

To draw a picture of U.S. traders not getting anywhere in the Philippine colony, he deals at length with the initial advantage of the British in the import of cotton goods, export of hemp and shipping during the ten-year period of transition (1899-1909) under the Treaty of Paris. He deliberately observes the unquestioned commercial and investment supremacy of

U.S. companies following the Payne-Aldrich Act of 1909 which instituted "free trade" between the Philippines and the United States and allowed the latter to manipulate the tariffs against foreign competitors. It is well to recall that even before the outbreak of the Spanish-American War, U.S. commercial houses had already had a great direct share of Philippine trade, especially in sugar. Yet Pomeroy makes it appear that only after the U.S. conquest of the Philippines could the American booze dealers make money in the Philippines, not on the colonized people but on the U.S. troops themselves.

Contrary to what Lenin has shown as the self-interest of imperialism, Pomeroy pictures the Philippine colony as having been more of a "major headache" than the object of economic plunder. He emphatically claims that the U.S. monopolists were "reluctant clients", hesitant on investing in the Philippines and failing to invest as much as had been expected of them, because of supposed difficulties. He regards the Organic Act of 1902 as consisting of anti-monopoly restrictions rather than as a legal instrument by which the U.S. colonial government could start to grant franchises, recognise mining claims and sell or lease land to the Yankee plunderers.

He misrepresents a short period of initial U.S. investment (1902 and thereabouts) as representing the entire period of direct U.S. colonial rule. He considers it too discouraging as it was "expensive" for the U.S. imperialists to engage in the improvement of public works and communications; he does not consider that these were not only favorable for U.S. business and military operations in the Philippines but were paid for by taxes exacted from the colonized people. Bondholding for provincial and municipal improvements fetched huge profits for U.S. bondholders. Yet Pomeroy arbitrarily cites the "losses" suffered by the operation of railroads in Cebu and Panay as a major cause for "diminished interest" in the Philippine colony. He does not consider that the U.S. monopolies made profits on the building of these particular railroads and covers up the tremendously profitable U.S. takeover, expansion and operation of the Manila Railroad Company.

The counter-revolutionary idea of Pomeroy that runs through his entire book is that colonization of the Philippines merely caused economic "difficulties" instead of advantages for U.S. imperialism and that such "difficulties" always pressed on U.S. imperialism to leave the Philippines to a "stable government" of Filipino puppets. In his own peculiar way, he smuggles in Kautsky's idea of "peaceful democracy" as a better method for the capitalist countries to gain economic advantage. He maliciously puts aside the irrepressible demands of the Filipino people for national independence and democracy which the U.S. imperialists and the local puppet demagogues always tried to preempt in their compromises on "Philippine independence".

To cover up the extent of exploitation by U.S. imperialism in the Philippines, Pomeroy turns himself into an accounting clerk and trots out a false balance sheet. He estimates that military costs of conquest, suppression, fortification and garrison maintainance totalled at least $500 million by the time the Tydings-McDuffie Act was passed by the U.S. Congress in 1934. He argues that this amount does not include what he calls the "incalculable" expenditure in reconquering the islands and "rehabilitating" them as a result of World War II. He argues that such military costs were not exceeded by profits in U.S. trade and investments in the Philippines.

He claims that if a 2% per cent rate of profit is conceded to U.S. goods, as forecast by merchants in advance of the Payne-Aldrich Act, U.S. manufacturers and merchants earned $160 million* from the U.S.-Philippine trade during the first three decades of U.S. colonial rule. He calls it a "generous estimate" for them to have earned $200 million during the said period, even if such invisibles as insurance and freight charges were included. He bewails that Philippine exports to the United States exceeded

* The amount should be $180 million, which is 2% per cent of $900 million.

imports of U.S. goods by nearly $400 million* (up to 1927, $1.2 billion as against $900.1 million). He regrets that on the overall U.S. profits were "more than over-balanced by far" by the amount of duties waived on Philippine products entering the United States under the "free trade" terms of the Payne-Aldrich Act. On the basis of his inane and erratic computations, Pomeroy concludes that the U.S. imperialists incurred losses rather than profits in the U.S.-Philippine trade. Yet, he states that "to some extent", earnings from Philippine exports went to U.S. investment interests in the islands, in the refining of raw sugar, in manufacture of coconut products and in commercial handling. He claims, however, that the greater amount represented a payment by American taxpayers to "Filipino producers" well in excess of U.S. trade profits.

Pomeroy contends that the total amount of profit remitted from all investments over the period of direct U.S. colonial rule could hardly have made up the trade gap, let alone repaid the military costs. He regards the level of U.S. investments as low, a little more than $200 million at the time of the Tydings-McDuffie Law. According to him, a considerable part of the amount was accounted for by savings and reinvestments of profits. Though Pomeroy admits that huge returns were made on original investments, he insists that the total amount of profits remitted did not countervail the "imbalance of military expenditure and trade".

In looking at the military costs of seizing and holding on to the Philippines, Pomeroy completely obscures the fact that such were not at all borne by the U.S. monopolies. On the other hand, the U.S. monopolies profited immediately and in a long-term way from the colonial conquest of the Philippines. The costs of U.S. military aggression were imposed on the American people as well as on the people that were the victim of aggression and colonial domination. After their conquest, the Filipino people were compelled to pay the taxes necessary to defray U.S. military expenditures and to maintain the Philippines as a colony. With regard to U.S. military expenditures incurred in World War II, it is obvious that the U.S. monopolies profited tremendously and unprecedentedly from military production and was subsequently able to assume the position of No. 1 imperialist power through subversion, intervention and aggression in several continents.

It is extremely shallow and absurd for Pomeroy to assume that the U.S. traders could make profits only on U.S. goods imported into the Philippines. They handled directly a considerable part of Philippine export crops. It is certainly not enough to compare the declared values of imports and exports to measure the profits derived by the U.S. imperialists. And to claim that the U.S traders had a measly 20 per cent rate of profit on imported U.S. goods is simply to abuse credulity. What is most important in weighing how much the U.S. imperialists (not only the U.S. traders) profited from U.S.-Philippine trade is to consider that cheap raw materials were exchanged for U.S. finished products and were destined to be processed by U.S. industries. The U.S. imperialists and the comprador-landlords in essence exploited Filipino labor by making it produce raw materials at extremely low wage rates and by making the Filipino people buy U.S. finished products at extremely high prices. As a result, the Philippines remained a narrow colonial and agrarian economy, unable to freely take the road of self-reliance and industrialization and always subject to manipulation by U.S. imperialism.

The records of the Bureau of Census and Statistics show that the book value of U.S. private investments in the Philippines before the outbreak of World War II amounted to $37 million or $268.5 million. Book value in the records of the colonial government cannot tell the whole story. But Pomeroy overdoes his role as an apologist of U.S. imperialism by calling the level of U.S. investments "low" and then leaping to the conclusion that these did not make much profit or were not enough to exceed military expenditures and "losses" in trade. We need to stress the fact that even with so little capital invested in colonies and semi-colonies tremendous profits

* The amount should be $300 million. Repeatedly Pomeroy bungles his arithmetic.

could be made and remitted annually to U.S. stockholders. But like his U.S. imperialist masters, Pomeroy would not divulge figures regarding this. The rate of profit for U.S. subsidiaries in colonies and semi-colonies is several times higher than that in the United States and other capitalist countries. Only a very tiny part of annual earnings is reinvested and accumulated from year to year. It is superficial for one to pay attention only to the magnitude of U.S. investments in the Philippines and then consider it as inconsequential because it is so much less than U.S. investments in Western Europe or Canada. U.S. investments in other capitalist countries are huge because it takes that much to squeeze into a relatively constricted field and to have a significant say on economic and political policies of those countries. What Pomeroy belittles as "small" U.S. investments is within the Philippines big and strategic capital capable of drawing super-profits and controlling the entire country.

In the case of Meralco, for instance, its original capitalization in 1901 was only $2.0 million. Sixty years later, it would be sold to a Filipino combine for $50 million. The growth of the investment is striking enough. But what would be more striking is the tremendous amount of dividends remitted to U.S. stockholders in sixty years. Pomeroy conveniently does not divulge this. This is not even to reckon with the profits made on Meralco by its mother and sister companies on various accounts. General Electric Company did not make hay without the U.S. Steel Corporation, the U.S. oil interests, the U.S. banks and other related U.S. businesses doing the same.

Referring to the monopolists in capitalist countries, Lenin observed:

> The export of capital, one of the most essential economic bases of imperialism, still more completely isolates the rentiers from production and sets the seal of parasitism on the whole country that lives by exploiting the labor of several overseas countries and colonies.

By insisting that the colonial possession of the Philippines by U.S. imperialism was "not a paying" venture, Pomeroy actually whitewashes U.S. imperialism and denies its bloodsucking activities. It is our view that U.S. imperialism profited greatly from its colonial possession of the Philippines. It is to argue against historical truth and to prettify U.S. imperialism to maintain the thesis that it successfully colonized the Philippines only to suffer business losses.

Totally discounting the U.S. monopolies behind the U.S. colonial regime in the Philippines, Pomeroy goes on far as to state that "U.S. business interests, including prominent industrial circles, were unwilling to share the tax and inflationary burden arising from military and administrative costs in acquiring, maintaining and defending a colonial empire". Though he refers to a "relative minority of overseas traders and investors" as the beneficiary of the colonial regime, he does not qualify these as the top U.S. monopolies that determine U.S. policies. It is one-sided and inane to imply that the tax and inflationary burden in imperialist ventures is shouldered solely or mainly by the U.S. business interest, including prominent industrial circles". It is shouldered by the American people, particularly by the proletariat. Besides, the Filipino people under the U.S. colonial government had to shoulder the military and administrative costs in the absence of continuously effective revolutionary resistance.

A through-and-through agent of U.S. imperialism, Pomeroy finds occasion to praise the political system in the United States when he claims that "even the more aggressive commercial and investment groups that had favored seizure of colonies had reason to doubt the practicality of colonial possessions" and were in favor of abandoning the Philippine colony because "they had to contend with the fact of the U.S. Congress having authority over affairs and laws in colonies". "Corporations and individuals desiring to exploit such areas found their activities subject to the pressures and investigations of a variety of domestic influences, reformist and protectionist", he adds. He pontificates: "Congressional prerogatives were less when it came to non-colonial areas of investment and trade; operations of a neo-colonialism were far less apt to come under

scrutiny". What Pomeroy would like others to believe is that the U.S. Congress and the colonial laws were not at all in favor of the U.S. monopolies over and above the debates that transpire from time to time in any bourgeois talking shop.

Knowing no bounds for his sinister role, Pomeroy presents the U.S. Congress as a defender of the Filipino people. He chatters:

> The post-independence events in the Philippines following 1946--the brutal suppression with American assistance of the Huk national liberation movement and its popular support, the wholesale corruption of Filipino politics, the unbridled looting of the "independent" economy, the evasion of the one-time strictly-watched land laws, the crimes committed by U.S. military base personnel, the moral decay of Philippine society arising from frustrated development would have all produced major scandals and investigations if occurring under direct American rule.

Mr. Pomeroy should be told to his face that U.S. congressional investigations over U.S. activities abroad are still frequently carried on and such are done as before not to douse imperialist interests but to give support to them. As before, the U.S. Congress is still a tool of the U.S. monopolies.

American Neo-Colonialism is a bourgeois reformist defense of the U.S. colonial record in the Philippines and of what Pomeroy calls "welfare state at home" and "neo-colonialism abroad", both of which he refers to as "twin supports of the contemporary imperialist framework". Rather than present the continuity and increasing virulence of the aggressive, expansive and exploitative character of U.S. imperialism, it tries vainly to resuscitate the old fallacious claims of U.S. imperialism to "isolationism" and to "altruism" or "benevolence". While it strains to show the "anti-colonial side" of U.S. imperialism and the "economic losses" of the U.S. monopolies in maintaining a colony, it obscures the oppressed and exploited condition of the Filipino people and the revolutionary tradition and role that they have carried on against colonial domination.

The annexation of the Philippines was an essential manifestation of U.S. imperialism. This was necessary for U.S. imperialism to satisfy its inherent cravings for super-profits and expansion, to impose its power and influence not only in the Philippines but also in China and the whole of Asia. Now as before, U.S. imperialism continues to make use of the Philippines as an important base for its aggressive and exploitative activities. The Filipino people, however, will in the end make U.S. imperialism a truly losing proposition in the Philippines through a revolutionary struggle. Lenin laid bare the moribund and decadent character of imperialism and pointed out: "Imperialism is the eve of the social revolution. This has been confirmed since 1917 on a world-wide scale."

Pomeroy deliberately refuses to give full weight to more deceptive yet more violent depredations of U.S. imperialism after World War II as an outgrowth of its earlier depredations and as a further unfolding of its unchanging aggressive and bloodsucking nature. He goes to every length to show that after the colonial conquest of the Philippines, U.S. imperialism steadily moved away from "traditional colonialism", particularly the seizure of colonies. Thus, he is at a loss when confronted with the increase of U.S. military bases and colonies (South Korea, South Vietnam, Okinawa, Taiwan and others) and with such U.S. wars of aggression as in Korea and currently in Indochina in what he prefers to call the "neo-colonial" stage of U.S. imperialism. What Lenin said of Kautsky could be said of Pomeroy:

> Instead of showing the living connection between periods of imperialist peace and periods of imperialist war, Kautsky presents the workers with a lifeless abstraction in order to reconcile them to their lifeless leaders.

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> When an analysis of the contemporary period is made, it will bear a marked resemblance to the period of debate over imperialist policy following the Spanish-American War. (Clashes between military and civil concepts of policy, authority and administration have also occurred in a repeated pattern, the MacArthur-Truman dispute in the Korean War, the "hawk" and "dove" antagonism in the Vietnam War, and the frequent Pentagon-State Department rifts being much like echoes of the Otis-Schurman and MacArthur-Taft differences during the Philippine conquest.)

The optimism of Pomeroy is an opportunist one and it lies in placing hopes on the "peace-lovers" among the U.S. imperialist policy-makers. It means falling for the more aggressive and more deceptive Nixon Doctrine of today, for instance.

What Pomeroy construes as a "new feature" of "neo-colonialism" is nothing but what Lenin had called usury imperialism, an old method for dominating other countries, exporting surplus capital, extorting super-profits and securing raw materials. Inasmuch as the Philippines has become a semi-colony since 1946, its nature as a debtor-nation has indeed become increasingly evident. Pomeroy chooses to call usury imperialism as "non-aggressive neo-colonial technique" and arbitrarily sets aside the fact that this has been made possible by the aggressive nature of U.S. imperialism and the historical imperialist domination of the Philippines. It is also certain that U.S. imperialism will never allow its practice of usury on the Philippines to stop without the victory of revolutionary armed struggle against its military bases and armed puppets.

While the conclusion of Pomeroy is that U.S. imperialism will continue to put "reemphasis on indirect neo-colonial methods" and to fashion "more subtle techniques of neo-colonialism" to prolong its life without any foreseeable end, we busy ourselves with raising the ideological and political consciousness and organized strength of the Filipino people in order to deal deadly blows against U.S. imperialism and all its running dogs. In this regard, we make a criticism and repudiation of Pomeroy's American Neo-Colonialism in line with Lenin's dictum: ". . .The fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism."

Chairman Mao teaches us:

> . . .Imperialism and all reactionaries, looked at in essence, from a long-term point of view, from a strategic point of view, must be seen for what they are--paper tigers. On this we should build our strategic thinking. On the other hand, they are also living tigers, iron tigers, real tigers which can devour people. On this we should build our tactical thinking.

> Imperialism will not last long because it always does evil things. It persists in arming and supporting reactionaries in all countries who are against the people. It has forcibly seized many colonies and semi-colonies and many military bases, and it threatens the peace with atomic war. Thus, forced by imperialism to do so, more than 90 per cent of the people of the world are rising or will rise up in struggle against it. Yet imperialism is still alive, still running amuck in Asia, Africa and Latin America. In the West, imperialism is still oppressing the people at home. This situation must change. It is the task of the people of the whole world to put an end to the aggression and oppression perpetrated by imperialism, and chiefly by U.S. imperialism.

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